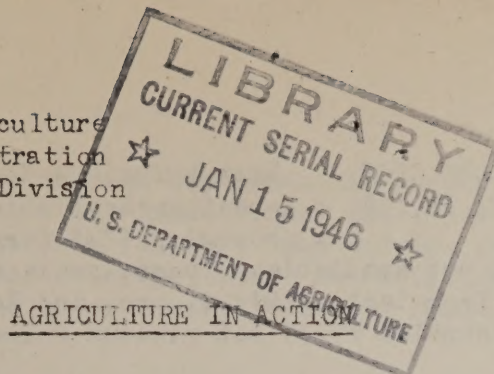


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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Division
Washington 25, D. C.



Oct. 3, 1945

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related action.

A. W. Manchester

A. W. Manchester
Director, Northeast Division

FARM PROSPERITY
RELATED TO CITY INCOMES

Speaking for farmer interests, Secretary of Agriculture Clinton P. Anderson endorsed the amendment to the Fair Labor Standards Act of 1938, now

pending in Congress. Secretary Anderson pointed out that increased incomes for city people mean increased demand for farm products.

The amendment provides wage increases for unskilled workers and seamen engaged in processing, storing, and handling agricultural products. It also provides wage differentials above the minimum level throughout industry.

Although farmers are affected only indirectly by the bill, Secretary Anderson said: "Farmers are interested in all types of legislation which may lead to increased purchasing power among their customers. . . This proposed legislation appears to be one step forward in the task of expanding the market for farm products. . . that is why I support its general purposes."

An increase of one billion dollars in the annual earnings of low-income workers will result in a corresponding increase in food expenditures of at least 200 million dollars, the Secretary said.

CIVILIAN MEAT

ALLOCATIONS INCREASED

Meat allocations for the fourth quarter of 1945 will allow U. S. civilians an annual average rate of almost 148 pounds per capita. This is 22 pounds more than the average for the prewar years, 1935-39.

The allocation makes 4,847,000,000 pounds carcass (dressed weight) available for civilians -- 77.4 percent of the total 6,258,700,000 pounds. Only 12.2 percent of the total will go to military needs; 9.9 percent to liberated areas and paying governments; and one-half of 1 percent to U. S. territories.

Compared with allocations in the fourth quarter of 1944, the military allocation is reduced over 50 percent, and the export allocation by 10 percent.

Reduction in military requirements, and seasonal increases in livestock marketing have made increased civilian allocations possible. Peak marketing of cattle and lambs comes around the last of September; of hogs, in December or January. Pork supplies will continue short, but will show an increase when the fall crop comes to market next spring.

LATEST REPORTS BOOST CROP
INSURANCE SALES TO 15,218

Except for New York where a final report on wheat insurance indicates 4295 applications sold covering 4705 farms, final sales reports on wheat insurance are not yet available. Pennsylvania now estimates total sales at 10,326, up 3,772 from last week's figure, and New Jersey's latest report totals sales at 597 in counties which met minimum sales requirements, up 28 from last week.

The final report submitted by the New York State Committee is quoted below. Of the 383 agents appointed, 327 were community committeemen, and they sold 3356 of the applications. County offices made 596 sales, and the balance of 343 sales was made by agents other than community committeemen. In general, the report indicates that where substantially all of the growers were contacted the sales results were best. In 1943, the last year in which wheat was insured, 2407 applications were sold in New York State.

County	Wheat Farms Listed	No. of Appl. Sold	Est. % Producers Contacted	Total Agents App't'd	Community Com. As Agents	Sold by Commit-teemen	Sold by County Asso.
Allegany	299	131	100	5	5	131	0
Cayuga	2,332	448	80	104	103	440	8
Chemung	503	167	95	15	15	159	8
Erie	2,453	325	50	28	24	267	58
Genesee	1,575	173	11	21	16	102	71
Livingston	1,607	73	90	16	15	43	0
Monroe	2,456	59	20	48	46	54	5
Niagara	2,734	92	25	9	7	88	4
Onondaga	2,273	348	50	23	17	331	17
Ontario	2,252	403	100	9	3	333	70
Orleans	1,750	107	50	10	9	34	73
Schuyler	858	110	100	15	15	95	15
Seneca	1,554	624	100	21	15	350	18
Steuben	729	176	70	10	6	175	1
Tompkins	825	325	77	11	7	107	218
Wayne	2,562	583	70	20	13	583	0
Wyoming	982	62	75	4	1	0	5
Yates	1,113	89	80	14	10	64	25
Totals	26,857	4,295	62	383	327	3,356	596

U.S. TO SHIP 300,000,000
BUSHELS OF WHEAT

About 300 million bushels of wheat and flour will be shipped by the United States this winter under the export program of the International Wheat

Agreement.

Monthly shipments will begin in October with about 30 million bushels. This wheat is being purchased by the Commodity Credit Corporation on the open market at better than 90 percent parity prices.

World wheat needs are greater than the quantity available for export, according to the International Wheat Council which met recently in London. To make as much wheat as possible available for human consumption, the council urged rigid control of livestock feeding of wheat in both the importing and exporting countries.

Principal exporters of wheat are the United States, Canada, Argentina, and Australia. U.S. wheat production this year is indicated at 1,152,270,000 bushels, the largest on record.

REPORT ON POTATO PURCHASES Latest reports through September 25, indicate that potato purchases by the Government under the price support program total 7,174 cars as follows: New Jersey, 2400; New York (Long Island), 1733; Texas, 1199; Colorado, 708; Nebraska, 628; Massachusetts, 213; nine other States, 299, including Pennsylvania 58, Rhode Island 18, and Connecticut 9.

Recent reports on disposition indicate 6202 cars diverted to: welfare, 13.7%; starch, 20%; storage, 37.7%; experimentation, 20.1%; canning, 8%; and alcohol, 0.5%.

WORLD FOOD SITUATION NOT IMPROVING Total world food production for 1945-46 will be about 3 percent less than the prewar average in terms of calories, according to a survey made by the Department of Agriculture.

While the United States reached an all-time food-production high during war years, continental Europe depended on outside sources for food as production steadily declined. Food production in the U. S. outstripped population, but increases in population in Europe have made the food problem there worse.

With government control over food supplies hampered by military operations, occupation and liberation, reduction in carry-over stocks, and restriction of imports, Europe alone (excluding Soviet Russia) will be short about 18 million tons of food this year. Greatest agricultural declines are in continental Europe and North Africa -- 25 percent below prewar. The United Kingdom will require about 9 million tons of food this year, despite production above prewar.

China will be short about 2 million tons of wheat and rice; India's shortage will be even greater if bad weather reduced its rice crop below estimates. Domestic food production in Japan will not meet minimum requirements, and the Netherlands East Indies, the Philippines, and Ceylon must import foodstuffs.

Surplus-producing countries -- the U. S. , Canada, Denmark, Sweden, New Zealand, and Australia -- are best able to supply the gravest needs, and some of the countries have already taken steps to do so. In view of high production levels in the U. S., exports may be as high this year as during war years, and will include large quantities of wheat and some meats, dairy products, and other foods.

Financial arrangements are now being considered by State and Treasury Department officials. Upon satisfactory conclusion, U. S. exports, together with imports from other high producing countries, are expected to relieve the most urgent world food needs.

---Start planning now for good attendance at community committee elections. Arrange for a program which farmers will consider constructive and worth while.

---1944 Agricultural Conservation Program payments were certified as follows as of September 22, 1945: Maine, \$40,112.41 (final report); Vermont, \$8,460.43; Massachusetts, \$45,849.20; New York, \$63,647.43; New Jersey, \$772,288.71; and Pennsylvania, \$297,264.75; total, \$1,227,622.93.

SOME CIVILIAN FOOD SUPPLIES TO BE PLENTIFUL Supplies of food for fall and winter 1945 are expected to be larger than during the same period in 1944. The improved food outlook is a result of the sudden end of the war. Demand for foodstuffs will remain high relative to supplies, though there may be a tapering off as consumer incomes decline.

Food once available for military use will be shipped to liberated areas abroad, and will include canned, fresh, and frozen meats; canned fish (cheaper types); canned and powdered milk; eggs; cheese; potatoes; some dry beans and peas; dried fruits; rice; some corn; and wheat. These supplies can be spared for shipment abroad because good supplies are available for civilian consumption.

Present outlook is as follows:

Meats - Increased supplies; may reach an annual rate of 140 pounds per capita this winter. Military cutbacks for canned meat increases supplies of lower grades and cheaper cuts of beef, but total meat supplies may not be large enough to meet full civilian demand at current prices. Pork will continue short.

Eggs and Poultry - Cancelled army contracts have resulted in large stocks of frozen eggs. Supplies of higher grade eggs will remain short in the East. Turkey meat will be double the prewar average. Chicken meat is increasing seasonally, and more will be available than in 1944.

Fats and Oils - Moderate improvement this fall and winter. Shortage is a result of smaller pig crop, as well as world shortage of fats. Decline of military buying of food fats will little affect the situation.

Sugar - No substantial increase until 1947 when production may be increased in the Philippines. If Cuban sugar crop turns out well, improvement in supplies will take place in the spring.

Dairy products - Butter supplies will increase last of 1945. Supplies of skim and dried whole milk, canned milk, fluid cream, whipping cream, and cheese, will be larger than last year, due to terminations of Government orders.

Fruits - Large supplies of canned fruits available because of major reductions in military takings. Most fresh fruit supplies are larger than last year, but the apple crop is the lowest on record.

Vegetables - Sufficient to meet consumer demand at present prices. Potatoes have been affected by reduction of military needs, but some will be exported. Sweetpotato supplies will be much the same as last year. Dry beans and pea supplies are smaller than last year, and are being used for relief feeding; improvement in civilian supplies is not likely.

---Stress the importance of the farmer's right and privilege to vote at the coming committee elections.

---The week of October 7-13 has been designated by the President as Fire Prevention Week. Farm fires each year cost about 3,500 lives and \$100,000,000 in property loss.

Radio Transcription
A. W. Manchester, Director
Northeast Div., Field Service Branch
Production & Marketing Adm., USDA
October 4, 1945 - 6:15 a.m.
Station WBZ - Boston, Mass.

POTATO PRICES TO BE SUPPORTED BY LOANS ONLY

I want to make one thing perfectly plain. The price of late crop potatoes will be supported this year by one method only.

That method will be by loans.

My reason for emphasizing this is that rumors have been coming from nearly all the potato regions that the policy announced earlier would be changed, and a purchase program to support prices would be continued through the winter.

I have checked this report in the most authoritative places and am told that there is absolutely nothing to it. Loans will be the only method used in carrying out the promise to support prices.

The reasons for sticking to the loan program are easy to understand.

Under that program every potato grower who wants price protection applies for the loan. His potatoes are inspected, the quantities of No. 1's and the lower grades are determined, as well as the adequacy of the storage.

If he doesn't have and can't obtain good storage, he can receive a special type of loan on his potatoes in approved temporary storage. Every grower can get the loan if he wants it.

After the inspection the grower receives an advance, usually through his local bank, of a substantial part of the support price.

Then he is free to sell his potatoes in the usual way if he can find -- or when he can find -- a market at or above the support price. He, of course, turns in the proceeds of sales in repayment of the loan.

If the grower fails to find a market or if he finds his potatoes threatening to go out of condition before he can sell them, he notifies his county conservation office and the Government takes over the potatoes, paying the grower the rest of the support price.

This description doesn't cover every detail of the loan method, but it, I think, makes the general method clear. It should make understandable the advantages of a loan program.

The first advantage is that it fully carries out the price-support promise to every farmer who wants to take advantage of it. Under a purchase program there is always the problem of being physically able to buy and ship and handle all the potatoes when growers want to sell them. Under the loan program all the loans are made in the fall and early winter. From that time on the grower is fully protected, provided he takes reasonable care of his potatoes.

An equally important reason is that it is possible under a loan program to protect the interests of the public much better than with a purchase program.

In order to support prices by purchases completely it is necessary to buy any day whatever potatoes are offered in excess of market needs on that day.

If these excess potatoes aren't bought, they drive the price below support levels.

This necessity to buy daily offerings may not be so serious when early potatoes are coming to market. There may be more or less of a semblance of a regular daily movement to market them. The offerings are, in truth, even then erratic enough, varying with weather and market hysteria.

But buying all the excess late potatoes offered could be ruinous. That way to really support prices, if growers have little confidence in the market and want to get potatoes off their hands, it might be necessary to buy this fall and in early winter the potatoes that ought to be held back for next spring's eating.

Of course, it might be possible to put some of them back into storage somewhere and hold them, but the whole process would be costly and inefficient.

Under the loan program, the potatoes are left in the hands of the growers. The normal marketing processes go on in the normal way, except that the grower is not under pressure to sell his potatoes at less than the support price. The consumer has the assurance of orderly marketing, the potatoes moving to the market as it needs them. There is full protection against a spring shortage. The loan method is far superior all around.

Nor do a purchase program and a loan program go well side by side. There is still the incentive for the grower to try to push his potatoes into the hands of the Government and get the deal over with.

It is important, then, that every grower of late potatoes understands that if he wants the protection of the potato price support, there is just one way for him to get it. That is to apply for the price support loan.

In each State a final date has been set for making the application. The dates vary a little from State to State but it is usually about November 15.

It is much better, however, not to wait until the last day but to apply as soon as the potatoes are stored.

In areas where large quantities of potatoes are grown it will be a tremendous job to make all the inspections and complete all the loans. It is important to get at the job as soon as possible.

And it is safer for the farmer to apply early. He will be sure that his storage is approved and that there are no slips anywhere.

All the farmer has to do to start the process is to stop at or write his county Agricultural Conservation Office.

The potato price support was promised last winter in order to make sure that enough potatoes were grown for the war. Now, the war is over, and we have lots of potatoes, but the promise didn't expire with the war, or with the big yield of potatoes.

Every effort will be made to carry it out fully, but there is only one method to be used -- the loan method. The first step is to be taken by the farmer -- applying for the loan. And not later than November 15th. Better, right after potato digging.

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Division
Washington 25, D. C.

Oct. 10, 1945

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Division

FERTILIZER CONTROL ORDER REVOKED Wartime controls over manufacture, distribution, and use of fertilizers within the continental United States have been removed by revocation of War Food Order 5.

Since July farmers have not been required to file applications to obtain fertilizers, but certain provisions on distribution and "approved grades" had been continued.

Officials point out that this action does not remove all control over fertilizer grades since a number of States have laws providing grade regulations.

Fertilizer supplies in prospect for the 1945-46 crop season show more superphosphate and about the same quantities of nitrogen and potash as last year.

SET-ASIDES OF DRY BEANS SUSPENDED Set-asides of dry beans for military and other Government purchases have been suspended indefinitely. This is in keeping with the Department of Agriculture's policy to lift wartime controls as soon as possible. Future Government purchases of dry beans will be made in the open market.

The 1945 dry bean crop is estimated at 15,370,000 bags of 100 pounds each. Civilians are assured the same supply as in 1944.

TURKEY SUPPLIES AMPLE Ample supplies of turkey for both the armed forces and civilians are forecast for the coming holiday season by the U. S. Department of Agriculture. The 1945 crop is roughly one-fifth larger than last year's production of 547 million pounds, dressed weight. In addition to the turkey supplies for the armed forces, civilians are due to have more turkey this year than in the record year of 1942 when the supply averaged 3.7 pounds per capita. The prewar average was 2.6 pounds per capita.

The plentiful turkey supplies this year and the smaller needs for the armed forces made it possible to terminate on September 24 the war food order which facilitated the procurement of turkey for holiday dinners for the armed forces at home and abroad. Supplies of turkey obtained under that order are expected to be adequate for holiday needs for the armed services.

U.S. TO BUY CHICKENS IN OPEN MARKET From now on, Uncle Sam will shop for his chickens on the open market, the Department of Agriculture says. Set-asides of chickens, used in nine States to provide necessary supplies for military use, have been terminated. Provisions of the set-aside order had been suspended since August 25.

1945-46 FEED SUPPLIES
NEAR RECORD LEVELS

Farmers rang up a new record in livestock feeding during the war and still have near-record supplies of feed to carry them through the next feeding year.

The outlook for 1945-46 is for slightly more feed concentrates and feed grains with about the same amount of byproducts feeds as in the feeding year ended October 1. However, the increases will be off-set by less feeding of wheat and rye plus a drop in oats and barley importations.

Livestock numbers the first of next year are expected to be about the same as on January 1, 1945. Lower egg prices likely will cause a decline in the demand for poultry feed. However, the demand for meat and dairy animal feed is expected to be strong.

Intensive livestock feeding during the past year is reflected in the marketing of larger numbers of good and choice animals. Generally, Americans ate higher quality meats than in many years.

Cattle feeding during the next year will be affected largely by (1) how long the subsidy payments on cattle remain in effect, and (2) the final outcome of the corn crop. A "soft" corn crop would cause heavy feeding during the winter and early marketings next spring, since "soft" corn spoils in warm weather.

Prices of meat are expected to remain at present levels despite a drop in civilian purchasing power and reduced army buying.

ANDERSON HEADS
FAO ORGANIZATION

Secretary of Agriculture Clinton P. Anderson will head the U. S. delegation to the First Session of the Conference of the Food and Agriculture Organization at Quebec, Canada, October 16. Alternate member will be Howard E. Tolley, Chief of the Bureau of Agricultural Economics, Department of Agriculture, and representative on the United Nations Interim Commission on Food and Agriculture.

Advisers include members of the United States Senate and House of Representatives, and officials from the Departments of State and Agriculture, and farm cooperatives.

FAO is the first specialized and permanent organization of the United Nations to be set up.

JAPANESE AGRICULTURE
DEPRESSED

Japanese agriculture faces problems in the post-defeat period.

Before the war, agriculture provided employment for 40 percent of Japan's population. Even in years of good farm prices, however, the majority of farmers depended on non-farm employment for one-fourth of their income.

Japanese farmers produced about 80 percent of the country's food supply. Most important production was raw silk, which represented 90 percent of all silk entering world trade. Cultivated land averaged 2.7 acres per family.

Reasons for the depression in Japan's agriculture can be traced to the industrialization of the country, the topography, the small holdings and widespread tenancy system, and the pressure of population on a small cultivated area.

CEILING PRICES ON Ceiling prices on both canned and bulk sauerkraut will
SAUERKRAUT TO BE REMOVED be removed within a short time, according to a joint
 statement by the OPA and U.S. Department of Agriculture.
The exemption is in line with a recent directive from the Office of Economic
Stabilization dealing with removal and suspension of ceiling prices.

Advance announcement was made so that kraut packers can plan to operate at maximum capacity to use the large 1945 crop of cabbage.

Under price regulations packers may not compute ceilings until the cost of the first 75 percent of their cabbage purchases is known. The packing season normally extends over several months and during this period cabbage is used both from the field and from storage. This necessity of holding a large portion of the crop before prices could be established would tend to delay delivery of the new pack to wholesalers and retailers, retard movement of the cabbage crop, and congest storage space.

The estimated large 1945 cabbage crop -- approximately 70 percent above that of last year and about 50 percent greater than the 10-year average -- is expected to keep retail prices of the 1945 pack of sauerkraut from rising above the present ceilings, the two agencies said.

FROSTS SHORTEN Considerable damage to crops resulted from recent frosts in
GROWING SEASON North Central States, according to reports by the Weather
 Bureau.

Wisconsin and most of Nebraska have had killing frosts. In northwestern and north central Iowa, frosts have been heavy. In Iowa corn was damaged, but the extent is not yet known; soft immature corn or light shriveled grains are expected to result. Moisture content continues high because of the lateness of the crop and unfavorable drying weather.

About half of the corn crop in Illinois, three-fourths in Nebraska, and Wisconsin and all but a small percent of Ohio are safe from frost. Warm, dry weather is needed, however, for maturing and harvesting the crop.

THE POULTRY AND The Department of Agriculture's Poultry and Egg Situation
EGG SITUATION for August-September says in part: Egg prices are expected
 to decline more than seasonally after November, and to be at
or near support levels during most of the winter and spring. Demand will weaken, because of reduced army requirements for eggs and increased civilian supplies of red meat. Egg production in the first half of 1946 may not be much different from the first half of 1945, when egg prices were at ceilings.

Prices received by farmers for chickens will decline this fall from the all-time peak reached in August. Supplies of chicken meat are increasing seasonally, and because of reduced army procurement, supplies available to civilians will be greater than last year. However, the demand-supply gap for poultry meat has been wide, and the decline in price this fall probably will not be pronounced.

---The motion picture, "Men Who Grow Wheat," which promotes wheat insurance, was shown to 6000 farmers at four State and county fairs by the Pennsylvania State Committee.

WHEAT INSURANCE BOUGHT BY 10,359 PENNA. FARMERS The final wheat insurance sales report by the Pennsylvania State Committee totals sales at 10,359 in counties meeting the minimum sales requirement of 50 contracts. This compares with 9036 in 1943. Two counties, Butler and Fulton sold 33 and 1, respectively, and are not included in the total.

Of the 671 sales agents appointed 582 were community committeemen who made 8499 of the sales. County offices sold 480 contracts and the balance of the sales were by agents other than community committeemen.

A few of the outstanding salesmen are: C. C. Boyer, R.D. # 1, Selinsgrove, community committeeman of Snyder County, 227 applications; Frank P. Kline, Wernersville, salesman of Berks County, nearly 175 applications. Mrs. Vera M. Hardenburg, R.D. # 2, Montoursville, saleswoman of Lycoming County, did an outstanding job -- contacted 280 farms and sold 155 applications. The county committee states she made a success of selling because "she is attractive, very pleasant, well-known in the county, a good talker, a very good saleslady and is sold herself on this program." Mr. Brady Taylor, R.D. # 1, Hughesville, a community committeeman in Lycoming County, has also done an outstanding job in the same county. He sold 134 applications. Other counties also have some similar outstanding sales agents.

The report by counties follows:

County	Wheat Farms Listed	No. of Appl. Sold	Est. % of Producers Contacted	Number of Agents	Com.Com. as Agents	Sold by Committeemen	Sold by County Asso.
Total	81,086	10,325	37%	671	582	8,499	480
Adams	2,245	175	21	17	17	175	0
Allegheny	1,051	193	40	15	14	193	0
Armstrong	1,989	74	18	8	8	66	8
Beaver	777	55	13	4	2	2	17
Bedford	1,827	518	47	13	6	268	1
Berks	3,754	463	40	34	31	306	0
Blair	894	142	35	5	3	135	1
Bucks	2,808	151	11	22	17	151	0
Butler	2,295	33	13	11	8	14	19
Carbon	420	92	59	12	12	92	0
Centre	1,428	111	25	10	9	100	0
Chester	2,655	926	75	23	23	926	0
Clarion	1,792	100	15	11	11	77	23
Clearfield	367	115	70	10	10	97	18
Clinton	495	58	43	4	1	6	6
Columbia	1,765	466	79	14	7	305	10
Cumberland	2,253	111	15	8	7	78	33
Dauphin	1,795	366	85	15	13	365	0
Erie	295	99	98	23	23	98	1
Fayette	1,581	219	40	14	13	184	2
Franklin	2,632	165	40	13	8	136	29
Fulton	1,007	1	6.1	6	5	1	0
Greene	960	138	31	11	11	132	6
Huntingdon	1,371	92	13	8	8	71	21

(continued next page)

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County	Wheat Farms Listed	No. of Appl. Sold	Est. % of Producers Contacted	Number of Agents	Com. as Agents	Com. Sold by Commit-teemen	Sold by County Asso.
Indiana	2,246	237	15%	17	15	210	21
Jefferson	740	84	95	15	15	74	10
Juniata	1,025	167	45	8	8	167	0
Lancaster	6,596	957	50	76	70	809	0
Lawrence	917	65	39	9	9	57	8
Lebanon	1,436	157	65	12	9	30	10
Lehigh	1,743	133	39	24	23	125	8
Luzerne	778	240	67	11	9	240	0
Lycoming	1,590	524	85	9	4	256	38
Mercer	1,240	93	18	6	6	73	20
Mifflin	864	91	21	4	1	40	30
Montgomery	1,608	227	44	8	8	226	1
Montour	606	188	90	6	6	163	25
Northampton	1,736	290	61	17	16	289	1
Northumberland	1,744	231	23	8	4	188	12
Perry	1,528	130	23	12	4	55	0
Schuylkill	1,614	184	50	23	20	182	2
Snyder	1,237	348	39	4	4	348	0
Somerset	1,773	302	34	18	17	286	16
Union	919	114	46	4	3	61	3
Washington	2,398	193	23	29	26	143	39
Westmoreland	2,604	147	39	14	14	143	4
York	5,688	394	13	26	24	356	37

NORTHEAST WHEAT LOANS REPORTED Through August 31, 161 loans have been reported on the 1945 wheat crop in the three Northeast States where the loan Program is operative: Pennsylvania, 158; New Jersey, 3; New York, none. A report through September 30 will be available soon.

As previously announced, loans are made on a note-and-chattel basis for wheat stored on farms and on a note-and-loan agreement basis when stored in approved warehouses.

Loans are available until December 31, 1945, and mature April 30, 1946, or earlier upon demand.

---1944 Agricultural Conservation Program payments were certified as follows for States in the Northeast Region as of September 29, 1945: Maine, \$40,112.41 (final report); Vermont, \$8,505.62; Massachusetts \$45,849.20; New York, \$63,647.43; New Jersey, \$772,288.71; Pennsylvania, \$297,264.75; and total, \$1,227,668.12.

---The new method of drying fruits and vegetables by the "freeze-drying" process was learned from the chemists who are preserving blood plasma and penicillin.

---Cold storage holdings of frozen fruits totaled about 284 million pounds on Sept. 1 -- an increase of about 38 million over Sept. 1944.

POTATO FEEDING
DEMONSTRATIONS
IN MASSACHUSETTS

One hundred three carloads of B size early potatoes were furnished to the Massachusetts Extension Service by the U. S. Department of Agriculture for demonstrations in the feeding of dairy cattle. These potatoes were cut into silos on 15 farms, and on the others, the potatoes were fed raw.

Henry Renof of Belchertown combined 700 lbs. of well wilted alfalfa with each ton of potatoes. He secured an excellent silage; the cows ate it readily. And there was a marked increase in the production of milk.

Floyd Verrill of Concord combined the potatoes with an equal number of pounds of fairly well dried sweet corn fodder. He had an excellent quality ensilage. Samples of this have been taken by the representatives of the Experiment Station and the analysis made. He reports a marked increase in milk production.

Mount Hermon School at Northfield cut into the silo one carload of potatoes with oats and another carload of potatoes was cut in with 500 pounds of good hay per ton of potatoes. In both cases the ensilage was of good quality. The cows ate the silage made with the hay more readily than they did the silage with the oats, but in both instances satisfactory milk production was reported.

Barnstable County received 23 carloads, and in every case except three, an increase in milk production was reported. Only on one farm was any ill effect on the cows noticed. In that case, scouring occurred due to the fact that the rate of feeding was increased too rapidly. In his report, the owner states that he would not expect to have that trouble again.

Hilding Hord fed four carloads fresh, and was so well satisfied that he furnished the County Agent with a certified check in order to buy four more carloads under the proposed purchase plan which was to follow the demonstration, but did not materialize. Mr. Hord fed as high as 40 pounds per cow per day, with no ill effects. He was able to cut his feeding of hay to a very small quantity, and he secured satisfactory milk production. In fact, he noticed a marked decrease when the potatoes were exhausted.

Edward M. Dwyer of Weymouth, put some of the potatoes in the silo with the required amount of 500 pounds of hay to the ton of potatoes and secured excellent ensilage which gave good results. He also fed potatoes raw. He reported a 15 percent increase in milk production.

Where the potatoes were fed raw, at first, the cows refused to eat them, but when a few more were crushed in the manger for the first day or two, then the cows took the small potatoes readily.

John G. Archibald of the Mass. Experiment Station, in charge of research in animal feeding, secured samples of potato silage from many of these farms. In his report on the analysis and quality of the ensilage, he states: "... In comparison with corn silage, the potato silages were higher in protein, carbohydrate, and minerals than corn silage; lower in crude fat and fiber, and much lower in carotene. . . . Quality of the silages made by mixing alfalfa or sweet corn fodder with the potatoes was excellent; when oat hay was used the quality was only fair, indicating insufficient fermentation..."

(Prepared by C. J. Fawcett, Extension Animal Husbandman, Mass. State College, and S. R. Parker, State Director, Production & Marketing Administration, Amherst, Mass.)

Radio Transcription, A. G. Conover
Agricultural Economist, Field Service Branch
WBZ, Boston, Mass., Oct. 11, 1945, 6:15 a.m.

Heard more and more frequently in our language today is a new word. That word is interdependence.

It is a good word and some day will be as important in our conversation as its word-relative; that is, independence.

Some agricultural, business and labor leaders have already signed a "declaration of interdependence". . . .

Independence was important to the process of achieving political freedom and throwing off political tyranny. The recognition of interdependence is essential to the idea of achieving economic progress and banishing the forces that make for economic tyranny and poverty.

Let us examine a little more closely the stake of agriculture in this idea of economic interdependence.

The tremendous achievement of farmers during the war has been often recited - at least a third more production, even after some six million people had left rural areas. With all due credit to the long hours put in by farm operators and their families, much of this increase was due to improved processes, machinery, mineral applications under conservation programs and increased specialization.

The volume of output in manufacturing and mining increased by about 150 percent above pre-war to meet the tremendous demands for war and increased civilian demand. During much of 1944 and 1945, the national income has been close to 160 billion dollars, compared to the pre-war level of about 75 billion.

As reconversion gets into high gear, the consumption of farm products must rest more heavily on civilian demand -- and less on government takings.

The market for agricultural products will depend more and more on the spendable income of wage earners, salaried people and business men, who, together with their families, represent the 110 to 115 million people outside the agricultural population. In order to keep a strong demand for foods and other farm products, the incomes of workers must be sustained -- and those of lower income groups must be raised.

As Secretary Anderson said at an Agriculture-Industry Conference in Illinois the other day, "The limiting factor, as far as the consumption of food goes, is not only appetite, but money."

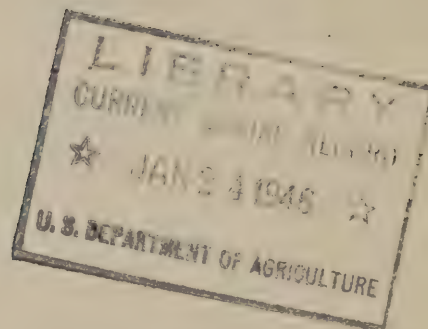
Even though people were eating better on the average during the war years than in peacetime, the American people wanted a great deal more of some foods and would have bought them if they were available -- because many had the money to do so.

On the other hand, in order to provide one of the large outlets for manufactured goods and services, farm income must be kept at high levels. Manufacturers and business men will put men to work only if they have a market they can feel reasonably sure of. Farmers will comprise a good share of that market if they have good incomes.

Radio Transcription (continued)

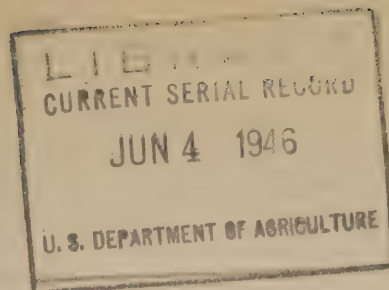
Farmers, in turn, can only have those good incomes if the people that need food and farm products have the good wages and satisfactory incomes that enable them to buy -- and to buy at relatively good prices to farmers.

This is a simple but striking example of our economic interdependence. Without a recognition of this fundamental idea, our economy could take the low road to depression -- low-level farm income, considerable unemployment, and lowered wages. With a greater understanding of this principle of interdependence we can press forward to the goal of full employment, 50 percent better living levels for all and a sustained high level of farm incomes.



(Agriculture in Action - Issued weekly and distributed in the Northeast Region to AAA State Committeemen, Farmer Fieldmen, State Offices of PMA, County Offices in Massachusetts, Pennsylvania, New Jersey, Connecticut, and New Hampshire; County Committeemen in New Jersey and Pennsylvania)

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Cp 5
United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Division
Washington 25, D. C.



Oct. 17, 1945

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Division

FARMERS WIND UP U. S. farmers are winding up another year of tremendous
BIG HARVEST production. The harvest of 1945 crops is expected to
equal the all-time records set in 1942 and 1944, while
farm production of livestock and livestock products will be only 5 percent
less than the record peak of 1943.

These estimates are made in the October crop report of the Department of Agriculture. Unfavorable weather during September resulted in only a slight decline in crop prospects.

Production of food grains, including a record wheat crop of 1,150,000,000 bushels, is the biggest in history. The combined production of feed crops including corn, oats, and hay, is the second largest ever harvested.

The big stocks of feed grains on farms October 1 point to generally ample feed supplies for livestock production during the coming 12 months. Supplies of feed grains per animal unit are the largest in a record going back 20 years, and pasture conditions are among the best ever reported.

As of October 1, all-time record crops were in prospect for wheat, oats, rice, soybeans, peanuts, tobacco, peaches, pears, early and midseason oranges, grapefruit, almonds, hops, and truck crops for market.

Large production either has been harvested or is in sight for corn, barley, hay, potatoes, flaxseed, sugarcane, grapes, sorghum grain and sweet potatoes.

The only important crops falling below average production this year are cotton, rye, apples, sugar beets, and dry beans. The forecast for sugar beets, however, was 29 percent above the 1944 output.

The corn crop is estimated at 3,078,126,000 bushels, an improvement of 9 million bushels over September 1 and the third largest on record. The major part of the crop had escaped serious frost damage as of October 1. However, killing frosts had struck most of the Corn Belt by October 10, and dry, warm weather is needed to mature the corn and reduce its high moisture content.

**MORE POTATO
LOANS URGED** Farmers seeking price protection for their 1945 crop of late potatoes are urged to place their crop under CCC loan. Potato loans will be the only means of supporting the price on the late potato crop.

A purchase program will not be undertaken by the Department of Agriculture for the late potato crop. Government purchases of intermediate crop potatoes in New Jersey, is merely a "clean-up" program.

Farmers are encouraged to take out needed loans as soon as possible through their county AAA office. The Department of Agriculture probably will need the loan potatoes shortly, to supply diversion outlets.

**AAA PAYMENTS STIMULATE
SEED HARVEST** AAA payments to encourage the harvesting of certain important grass and clover seeds brought results again in 1945. The October crop report of the Department of Agriculture says that the marked expansion in acreage harvested for seed this year was due largely to support prices and the special acreage and poundage payments made through AAA offices.

Production of 21 kinds of clover, grass, and winter cover crop seeds in 1945 is indicated 2 percent larger than in 1944 and 13 percent above the 1934-43 average. This above-average production is attributed entirely to a larger harvested acreage, since yields were less than average.

**MILK OUTPUT HEADS
FOR NEW RECORD** Milk production on U. S. farms continues at record heights. Output for the first 9 months of this year was 97.2 billion pounds and the 12-month total seems likely to hit a new record of 123 billion pounds. September milk production was 5 percent above September 1944.

The Nation's hens are not to be outdone by the dairy cows. Farm layers, although 8 percent fewer in numbers than a year ago, produced only 5 percent less eggs for the first 9 months. The lay per hen is highest on record.

**EGG SUPPLIES TO BE
MORE THAN AMPLE** Egg supplies for civilians will be larger this fall and winter than a year earlier. Because meat supplies will be larger during the next few months, the demand for eggs will probably fall off. Egg prices may decline after November and be at or near the Government price support during next winter and spring. Egg prices have been affected adversely by cancellation of dried egg contracts by the armed forces. More than 50 million pounds of frozen eggs, once set aside for dehydration, have been released to civilians.

**SURPLUS BUTTER RELEASE
OFFSETS PRODUCTION DROP** The American housewife will not find much more butter on her grocer's shelves as a result of the Army's release of 80 million pounds of surplus stocks. The released butter will not much more than offset a drop in butter production from 8 to 10 percent below a year ago. In addition, it will be several weeks before the surplus stocks reach retail stores.

The 80 million pounds is part of the 250 million pounds which the Army purchased during the flush production season of last spring and summer for use through next spring.

Butter production has declined with the removal of restrictions on the use of butterfat. As a result, the Nation is getting more cream and richer ice cream and less butter.

N.J. WHEAT INSURANCE The final insurance report by the New Jersey State
SALES TOTAL 599 Committee totals sales at 599 in counties meeting
the minimum sales requirement of 50 contracts.
This compares with 287 sales made in 1943.

Salem County, where but seven sales were made, is not included in the above total. Original plans for insurance in Cumberland County were cancelled.

This report, as did those for New York and Pennsylvania, indicates that best sales results were obtained where the county committee made arrangements for every wheat grower to be personally interviewed by a salesman. In Burlington County, for example, the final "boxscore" looked like this after every wheat grower had been interviewed by community committeemen:

Farmers who bought wheat insurance	144
Farmers who had not planned to grow wheat for harvest in 1946	173
Farmers who intended to plant wheat but did not buy insurance	60
Total number of farmers listed as wheat growers on the county office record	377

A community committee assistant in Somerset County called on 59 farmers and sold 40 policies.

The 531 wheat growers listed in Salem County were contacted by mail twice. Those responding to the mail contact numbered 70 who were then interviewed with 7 sales resulting. Since this is below the minimum sales requirement of at least 50 contracts per county insurance will not be in effect.

The report by counties follows:

County	Wheat Farms Listed	No. of Appl. Sold	Est. % of Producers Contacted	Total Agents App't'd	Community Com. As Agents	Sold by Commit- teemen	Sold by County Asso.
Burlington	3771	144	100	3	3	144	0
Hunterdon	1037	120	85	8	8	82	0
Middlesex	286	102	45	3*	0	0	102
Monmouth	335	152	85	5			
Somerset	527	81	25	6	0	0	0
Salem	531	7	13	2	1	5	2

- * County office personnel only
- Extent of personal interviews undetermined.

---SPB (now SPA) Regulation 7 has been revised effective October 15. Under the new surplus property regulation county committees will not be required to review veterans' application for purchase of surplus goods for farm use. New instructions to State and county offices will be issued soon.

DAIRY PAYMENTS ON With the Department of Agriculture's removal of
HEAVY CREAM OFFERED restrictions on the sale of heavy cream, dairy farmers
 can now receive dairy production payments based on the
higher butterfat content, provided they can supply county AAA committees with
satisfactory evidence of the higher tests.

To divert more butterfat to butter and other products during the war, the cream limitation order prohibited farmers from selling heavy cream for consumption as cream. While this order was in effect, the maximum butterfat content of cream sold for consumption as cream which was recognized under the Dairy Production Program was four-tenths of a pound per quart, or 19 percent.

The dairy payments are designed to maintain dairy production at a high level and to help farmers meet higher costs without increasing the price of milk to the consumer. By August 1, 1945, about 2 million producers had received about 620 million dollars since the program started in 1943. These payments were made through county AAA offices for the account of the Commodity Credit Corporation.

MEAT BACK ON To simplify and assure orderly Government purchases of meat for
SET-ASIDES shipments to Europe, the Department of Agriculture has resumed
 set-aside orders for lower grades of beef, veal, and mutton.

This will not mean less meat on the Nation's meat counters. Now and during the next few months, enough meat to bring the annual consumption up to 148 pounds of meat per person is expected to be available in the United States. This is 23 pounds more than before the war. The purpose of the set-asides is to put Federally inspected meat within easier reach when it is needed to fulfill foreign commitments. Buying on the open market is slower and more uncertain.

The set-asides do not include choice beefsteaks and other top grades of meat (except mutton) which generally are plentiful. Mutton, not set aside during the war, is now reserved for export because it is a favorite meat in most European countries.

The Commodity Credit Corporation will buy meat directly from Federally inspected packing plants. About one billion pounds are expected to be shipped before spring mostly to Great Britain, Holland, Belgium, and France.

Federally inspected slaughter of cattle during September reached a new record high for that month and the second largest on record for any month. This reflected unusually good range and pasture conditions and generally plentiful feed grain supplies.

EXPLOSIVES BAN LIFTED Farmers no longer need apply for Federal licenses to
 buy explosives or certain ingredients of explosives
used in killing weeds and in fertilizer.

Removal of restrictions permits any person who is not otherwise prohibited by law to manufacture, sell, or purchase explosives and ingredients.

SET-ASIDES REMOVED ON
CANNED FRUITS, VEGETABLES

because of reduced Government needs, set-asides have been removed on all canned fruits and vegetables, except tomatoes -- which were reduced from 36 to 16 percent. The outlook for civilian supplies of canned fruits and vegetables during the 1945 marketing season is good.

About 44 million cases of all canned fruits and juices, except citrus, will be on grocery shelves, compared with only 33 million cases last year. About 250 million cases of canned vegetables and juices, including baked beans and baby food, will be available. This compares with 205 million cases last year.

POTATO LOAN PROGRAM EXTENDED
FOR LONG ISLAND & NEW JERSEY

To provide more adequate price support for the large crop of potatoes being harvested in New Jersey and Long Island, the Department of Agriculture has extended the loan program to cover potatoes other than premium varieties for the months of November and December.

The basic support prices established for other than premium varieties in New Jersey and Long Island for the months of November and December 1945 are \$2.30 and \$2.40, respectively, per hundred pounds, U. S. No. 1 grade potatoes in new bags, sacked and loaded f.o.b. carrier in carlots. These added basic prices for November and December are subject to all conditions of the original announcement made May 18, 1945, and provide the basis for settlement of loans under the Regular Loan Program for potatoes in approved customary storage.

The settlement of loans under the Special Loan Program for potatoes in emergency field storage will be based on the September basic support price of \$2.40 per hundred pounds. The loan rates on New Jersey and Long Island varieties, other than premium varieties in either regular or emergency storage, have been calculated on the basis of \$2.40 per hundred pounds, U. S. No. 1 grade potatoes in new bags, sacked and loaded f.o.b. carrier in carlots, (the basic September support price for New Jersey and Long Island set forth in the announcement made May 18, 1945).

The loan rates established under the Regular Loan Program for potatoes of U. S. No. 1 quality are: Farm storage - \$1.53 per cwt. Other storage - \$1.63 per cwt. The rates for U. S. No. 1, size B and U.S. No. 2 (1-7/8 min.) quality are: Farm storage - \$.54 per cwt. Other storage - \$.64 per cwt.

The loan rates established under the Special Loan Program are: U. S. No. 1 quality, \$1.36 per cwt., and for U. S. No. 1, size B and U.S. No. 2 (1-7/8 min.) quality, \$.48 per cwt.

Support prices for November and December on premium varieties, Sebago, Katahdin and Chippewa, were announced May 18.

CREIGHTON NAMED HEAD
OF PMA POULTRY BRANCH

Hobart Creighton, poultry producer from Warsaw, Ind., has been appointed director of the Poultry Branch of the Production and Marketing Administration. He has been engaged in commercial poultry and egg production for 20 years. He also has been a teacher in Indiana public schools.

PMA AREA OFFICE FOR
MARKETING IN N.Y. CITY

There has been established in New York City a PMA Area Office for Marketing, effective October 1, 1945, which will include the counties of Orange, Putnam, Rockland, Westchester, New York (Manhattan), Bronx, Richmond, Kings, Queens, Nassau, and Suffolk.

The Area Officer for Marketing in charge of this office will perform essentially the same functions as were heretofore performed by the New York District Director of the former Office of Supply. He will be administratively responsible to the Administrator of PMA, but will receive program and operating instructions from, and report on program work directly to, the Washington Branch Directors responsible for the field supervision of the various programs.

Mr. Chester A. Halnan, former District Representative of the Office of Supply, has been designated as Area Officer for Marketing in charge of the New York City office.

NEARLY ONE-HALF OF
FARMS ELECTRIFIED

More than 44 percent of all U. S. farms are now electrified, compared with less than 11 percent at the time the Rural Electrification Administration began its work in 1935. REA Administrator Claude R. Wickard says that electrification of the remaining one-half of American farms is a major job in the postwar period.

Estimates of the number and percent of unelectrified farms in the Northeast and the amounts allocated follow:

State	Farms Without Central Station Electric Service, July 1, 1945		Allocation for Loans During Year Ending June 30, 1946.
	Number	Percent	
Connecticut	1,863	8.8	\$ 55,262
Maine	15,380	39.5	456,219
Massachusetts	4,197	13.2	124,496
New Hampshire	2,704	16.3	80,209
New Jersey	1,535	5.9	45,533
New York	32,038	20.9	950,347
Pennsylvania	52,827	31.3	1,567,014
Rhode Island	64	2.3	1,899
Vermont	7,782	33.0	230,838
United States	3,371,189	55.3	\$100,000,000

DAIRY AND POULTRY PRODUCTS
HEAD JULY LEND-LEASE DELIVERIES

In terms of specific commodities deliveries for Lend-Lease during July, dairy and poultry products head the list with 30% of all Lend-Lease deliveries; grain products, 26%; meat products, 14%; fruit and vegetable products, 11%; fats and oils, 7%; special commodities, 5%; cotton and fiber products, 4%; tobacco products, less than 1%.

Total deliveries of food and other agricultural products by the Department of Agriculture during July were 641,043,270 lbs., the smallest total recorded since December 1944 and a decrease of 1,177,539,784 lbs. from June 1945 deliveries. Deliveries to UNRRA were second to Lend-Lease during July with 147,429,046 lbs.

Radio Transcription
A.W. Manchester, Director
Northeast Div., Field Serv. Br.
Production & Marketing Adm., USDA
October 18, 1945 - 6:15 a.m.
Station WBZ - Boston, Mass.

Every year since shortly before the war, the statisticians and planners in the Department of Agriculture have been very busy at this time of year trying to figure out how much of each of our crops and animal products we had better try to produce in the following year.

When the decisions were finally reached after a lot of consultation with farmers and specialists in the States the results were the crop goals for the year ahead.

The purpose of the goals was to guide and encourage production. There wasn't any intent to limit production. We needed in total more than it was possible to produce. But it often was desirable to shift a little from things that weren't needed so much to things that were needed more. And judging by results it worked out pretty well. As a rule, production came surprisingly close to the goal.

Now, the same process of working out farm goals for next year is going on.

There seems to be general agreement as to the need. The reconversion of agriculture to a well-adjusted peacetime status is quite as puzzling as was its expansion for war. And the goals, once they are arrived at are likely to be much more hotly debated than were the goals of the war year.

As a matter of fact, before really intelligent goals could be set, it would be necessary to know how the country is going to answer several vitally important questions.

The biggest question is how prosperous are American food consumers going to be. Are they going to be as good customers as they have been during the war? Will that war-created 25% increase in milk purchases, for instance, keep up? Will the demand for fruit and vegetables be sustained by high wages and lots of jobs?

Wages and jobs are the biggest single factor in deciding how much the people of the country will buy.

Then there is the question of how far the national government is going to go in making it possible for low-income families to have all the food they need. If we let wages and jobs slip, there will be a lot of low-income families. But, even in the best of times, there are a good many. The size of the food market will depend to a substantial degree on what, if anything, is done about the food stamp plans now under consideration. How much food low-income families will buy will depend on that action.

We don't ship very much food abroad as compared with what we use at home, but what we do ship can change the tone of the market radically. So, international policies as to loans to our allies, determining their ability to buy from us,

Radio transcription - continued

the financing of the United Nations Relief and Rehabilitation Administration which helps feed starving peoples, and so on, will have a vital bearing on the goal decisions.

These are all matters that will affect the size of the market for American farm products.

Then there are issues that are more strictly in the field of farm policy.

The country is committed to a policy of price support for farm products -- at least for a couple of years ahead.

How that price support will be carried out will affect the quantity that people will buy -- especially of those products that folks buy a lot of when they are cheap and go without when they are high.

If the policy is to hold the price rigidly up to the support level, less will be sold -- much less if times should get a little hard. If the contrasting policy is followed -- of permitting the price to go up and down with supply and demand, and making up any shortage to the farmer with a payment in case employment falls off and prices drop, bigger consumption can be counted on.

These are among the unanswered questions that the planners face as they go about the job of working out next year's farm goals.

It's not a new situation -- farm production being decided in the face of a lot of uncertainties as to what lies ahead. In former years the farmer did it alone. He took his chances and -- after wars at least -- he took a licking.

This time he has a partner in trying to fathom the future and in sharing the consequences. The partner is the government -- both in setting the goals and in supporting the price if the market gets overloaded.

And to the farmer as to the rest of the country it is vitally important that the problems of full production, full employment, stabilized prices, well-maintained wages and buying ability, be met promptly and adequately.

On that basis it will be possible for the goals for farm production to be high -- for agriculture to make with confidence its full contribution to American abundance.

(Agriculture in Action - Issued weekly and distributed in the Northeast to State AAA Committeemen, Farmer Fieldmen, State Offices of PMA, County Offices in Massachusetts, Pennsylvania, New Jersey, Connecticut, and New Hampshire; County Committeemen in New Jersey and Pennsylvania)

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Division
Washington 25, D. C.

Oct. 24, 1945

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester
Director, Northeast Division

1946 AGRICULTURAL CONSERVATION
PROGRAM ANNOUNCED

Extension of the U.S. Department of Agriculture's over-all policy of adapting good soil practices to the individual needs of the nation's 6,000,000 farms is included in the 1946 Agricultural Conservation Program announced this week.

The 1946 program in most States will give more responsibility to farmers, working through AAA county and community committeemen, in recommending conservation practices to be carried out on farms, according to N. E. Dodd, Director of the Field Service Branch of the Production and Marketing Administration.

Under this plan, the counties will be given an allocation of funds with which to operate their conservation programs. The local committeemen will sit down with individual farmers and help plan a conservation program based on the actual needs of the farms. Final approval of the plan will rest with the county committee. Past AAA programs have allocated assistance principally according to a statewide formula applicable to each farm in order to get practices carried out on a broad scale.

Mr. Dodd pointed out that the "grass roots" approach should help speed the efficient reconversion of the nation's farmland from the strain of wartime production to longer-range soil-building and water conservation.

"The end of the war with its urgent demands for all-out production sounds a note of caution for farmers to take inventory of their most important capital asset -- their land," Mr. Dodd declared. "Unless we conserve the productivity of our farms, we will jeopardize the bedrock foundation for lasting post-war prosperity."

The 1946 program has been planned to provide about the same assistance that farmers received under the 1945 program. However, more soil practices are expected to be carried out under the new program since the farmer will bear more of the conservation cost than under the 1945 program.

"We realize that the program will not be big enough to repair in one year the damage caused by heavy wartime production," Mr. Dodd stated. "But, to get as much accomplished as possible we are asking cooperating farmers to contribute a greater part of the cost of conservation practices than in former years."

(continued on page 2)

(continued from page 1)

The 1946 ACP is divided into these types of practices for which assistance will be available: (1) Application of lime, fertilizers and other materials; (2) planting of cover crops; (3) harvesting of legume and grass seeds; (4) erosion control and water conservation; (5) range and pasture improvement; (6) forestry; (7) other practices such as noxious weed control and clearing land for tillage or pasture.

Special emphasis will be on the application of lime and fertilizers, to grasses and legumes. Much of the nation's soils in the humid areas, especially east of the Mississippi River, have been leached of their calcium and phosphorus.

Farmers have increased their use of lime by seven times and of phosphate by nine times since assistance for these practices was first offered in 1936. Using these and other program practices, farmers are improving their soils, getting better crop yields, and slowing erosion.

Farmers receive ACP assistance in the form of conservation materials, services, purchase orders, or payments. Conservation materials are purchased largely through regular trade channels including local dealers.

There is also need for the planting of more legume, green manure, and winter cover crops on many millions of acres of pasture and meadow which were plowed up during the war. This land must be brought into a system of cropping which will protect it against the dangers of winter and wind erosion, Mr. Dodd pointed out.

With the demand for livestock and other farm products expected to remain at high levels for the next few years, there is a definite need for pasture and range improvement, including construction of ponds and reservoirs.

The 1946 ACP, like previous programs, is flexible to meet the specific needs of farmers in all parts of the country. The program varies by States and counties according to the climate, topography, type of farming, and the conservation needs. The approved practices were developed by local AAA farmer-committeemen, representatives of State agricultural colleges and experiment stations, and other agricultural agencies.

The program is administered by locally elected committeemen in each of the nation's agricultural counties. All committeemen are active farmers.

Between $3\frac{1}{2}$ to 4 million farms were assisted under the 1945 ACP in carrying out the needed conservation practices. This comprised nearly 75 percent of the nation's cropland. Better soil practices have helped in the increase of farm production during the war by one-third above 1935-39 levels.

MEETING ON 1946 TOBACCO CROP INSURANCE PROGRAM

A meeting for the purpose of discussing the 1946 tobacco insurance program will be held on November 14 and 15 at Lancaster, Pennsylvania, by the Federal

Crop Insurance Corporation.

County committees in Lancaster County and in Hartford County, Connecticut, and the Connecticut, Pennsylvania, and Wisconsin State Offices will be represented. Also invited to attend are representatives of farm organizations, agricultural agencies, and industry.

Lancaster County was chosen as a trial tobacco insurance county for 1945.

ANDERSON PRESENTS
READJUSTMENT PROBLEMS

Three farm problems which face the United States and the other nations of the world were outlined by Secretary of Agriculture Clinton P. Anderson before the Food and Agriculture Organization at Quebec, Canada. His points:

1. Price support commitments for farm commodities - "If each of us tries to fulfill these commitments independently without regard to the need for expanded world trade and the agricultural problems of other nations, we are all in danger of repeating the mistakes that followed the first world war."
2. Adjusting agricultural production to peacetime conditions - "During the war, farmers of the United States increased food production by more than a third. Our amazing increases in agricultural production during the war were not achieved without far-reaching distortions in our farm economy. The distortions were the result of our efforts to meet urgent international needs, and there is every reason to believe that readjustments which will be necessary will have international implications."
3. Complex problems associated with expanding world economy - "We must maintain a high level of industrial employment if our farmers are to prosper and that high level will be difficult if not impossible to maintain without a progressive expansion in international trade."

DAIRY OUTLOOK Supplies of dairy products, except butter, are expected to be reasonably well in balance with consumer demands next year. The average price received by dairymen for whole milk may be slightly lower than in 1945.

This outlook of the dairy situation by the Bureau of Agricultural Economics adds that military and export purchases of dairy products will decline next year.

Milk production is likely to be somewhat smaller in 1946 than the record-breaking 123 billion pounds in sight for this year.

BAE points out that the actual level of income returns from dairy products in 1946 is tied in with Government action of various subsidy and price ceiling programs for next year. Abandonment of dairy production payments by the Government during the last half of 1946 would accelerate the decrease in milk output. Congress has authorized the payment program only through next June 30. Civilian purchasing power, however, is expected to be above prewar levels.

WHEAT LOAN REPORT Wheat loans on the 1945 crop in New Jersey and Pennsylvania totaled 200 warehouse and three farm-stored according to the following September 30 report. No loans have yet been reported for New York, where the loan program is also in effect.

State	Loans	Bushels	Amount of Notes	Type of Loan
New Jersey	17	9,736.66	\$16,233.82	Warehouse
Pennsylvania	183	62,002.43	98,672.86	"
Pennsylvania	3	973.58	1,484.41	Farm-stored

POTATOES DIVERTED INTO ALCOHOL Several thousand bushels of the large 1945 crop of intermediate potatoes are being shipped to diversion plants for manufacture into alcohol. Purpose - to prevent waste and spoilage which results when intermediate potatoes are held in storage.

The surplus potatoes were bought by the Department of Agriculture and part of its 1945 program to make good on price support commitments to growers. All requirements from the intermediate crop for table use were met before the diversion movement was begun.

To support prices of the intermediate crop Irish potatoes, the Department of Agriculture from August 1 through October 13, has purchased 8,670 cars.

These have been distributed as follows: For the School Lunch Program and institutions, 1,054 cars; for stock feed, 3,103 cars; for the production of starch, 1,346 cars; moved into temporary storage, 2,021; to distillers for the production of alcohol, 324 cars; to canners, 758 cars; sold on the commercial market, 64 cars. Potatoes in storage are now being moved out to distillers and for livestock feed.

Three diversion plants -- located at Muscatine, Iowa, Omaha, Nebraska, and Philadelphia, Pa., will be supplied 35 to 75 cars of potatoes a day. Both midwest plants may be converted later for the manufacture of glucose from low-grade potatoes. Glucose syrup can be used to relieve the sugar shortage. Each plant, operated at capacity, could use about 75 cars of potatoes a day for glucose production.

Potatoes for these plants will be supplied from (1) Government owned potatoes or potatoes under loan which are threatened with deterioration, (2) potatoes under the emergency loan program in pit storage, and (3) potatoes under the regular loan program.

Prices of the late potato crop are being supported by CCC loans handled through the AAA county offices.

By taking these steps, the Government is fulfilling its commitment to support potato prices under the Steagall Amendment. This law, enacted by Congress in 1941, pledges to support prices "for the producers" of any commodity covered by the announcement.

Besides assuring a floor under prices to producers, the current purchases and loan operations of the Department prevent waste of potatoes after ample supplies are provided for ordinary consumption.

Carload purchases in Northeast States are reported as follows: New Jersey, 3318; New York, Long Island, 2166; Massachusetts, 315; Pennsylvania, 92; Rhode Island, 25; and Connecticut, 54.

* * *

---In the first grower referendum held on a farm commodity since the end of the war, growers of fire-cured and dark air-cured tobacco again have voted overwhelmingly in favor of marketing quotas for three years beginning with the 1946 crop. Marketing quotas already have been proclaimed on the 1946 crop of these kinds of tobacco with individual acreage allotments the same as in 1943.

SURPLUS BUTTER FOR CIVILIANS: Distribution into civilian channels of the
STATE COMMITTEES TO BE ADVISED 80,000,000 pounds of butter, recently declared
OF DISTRIBUTION PLAN BY DPMA surplus by the U. S. Army Quartermaster Corps,
is currently being planned by the U. S. Department of Agriculture. The butter will be made available to civilians during the next few months -- the normal season of short production and supply.

In addition to the 80 million pounds, approximately 20 million pounds of surplus butter from the War Shipping Administration and CCC stocks will also be distributed.

N. E. Dodd, Director of the Field Service Branch, PMA, has requested the Dairy Products Marketing Association, Chicago, which is responsible for all bids, contracts, and other negotiations with the trade, to mail a copy of the general notice outlining the butter sales plan to State AAA Chairmen so that they may be fully advised about the information sent to the trade. It is expected that this notice will be available next week.

The increased civilian supply of 80 million pounds was made possible by the military release of 32 percent of the 1945 flush season butter procurement, estimated at a total of 250,000,000 pounds. Butter for the military services, as is the case with the seasonal commodities, has been procured during the period of flush production to relieve pressure on civilian supplies. The armed forces' butter for the entire year is procured in the heavy production period from April through August. The quartermaster Corps purchased butter for the Army, Navy, Marine Corps, Coast Guard, and the War Relocation Authority.

As soon as decreased military needs could be estimated, the Quartermaster Corps transferred the surplus butter, held in warehouses, to USDA to channel into civilian or other outlets. The butter is high score and is now being inspected by USDA.

DEMAND FOR BABY CHICKS DROP While hatching of baby chicks by commercial hatcheries remained high during September, demands have dropped considerably. Hatcherymen are disturbed about the effect of lower market prices for poultry and increased supplies of other meats -- developments since V-J Day.

However, the number of chicks on order October 1 was nearly twice as large as the number on order a year earlier. Commercial hatchings during September set a new record for that month.

POTATO CEILINGS REMAIN SUSPENDED Potato ceiling prices will continue to be suspended until December 5, OPA has announced. If no action is taken before that time, potatoes will automatically return to price control. However, ceilings may be restored at any time during the suspension period.

Ceilings on potatoes have been suspended since September 14, after the Department of Agriculture estimated the 1945 crop at 433 million bushels, one of the largest in years. At the same time, larger supplies have been available for civilians than are normally consumed, because of decreased demands by the armed services.

RESPONSIBILITY OF COMMITTEEMEN
INCREASED UNDER 1946 PROGRAM

The new county "budget plan" greatly increases the responsibility of county and community committees. The plan which becomes effective under the 1946 Agricultural Conservation Program provides for an allocation of funds to county committees by the State committee. No "strings" are attached other than those which are necessary to make sure that the money is devoted to the purpose for which it was appropriated by Congress, that farmers are given equitable treatment according to their conservation needs, and that proper records of the kind and extent of program assistance given farmers are kept.

These limitations mean that soil-building practices offered in the county will be confined to those which have been approved for the State (based on State and county committee recommendations), that approved forms and procedure will be used, and that county allocations of funds will not be exceeded. These limitations are considered necessary for orderly administration of the State's Agricultural Conservation Program.

County and community committees will make their own decisions concerning:

1. The amount of funds they devote to each of the various approved practices they wish to offer in the county.
2. The amount of funds they "allocate" to each individual farm in the form of conservation materials or services, purchase order, or cash payments for practices carried out.

The purpose of placing these decisions with the county committee is an extension of the policy of encouraging local administration to the end that the program will contribute most toward meeting the particular need of local areas, and will be best adapted to the need of individual farms.

County committees, in carrying out the purpose of this action which is the result of their recommendations, will probably find it necessary to formulate a county plan involving answers to several questions which will include:

1. How can the county committee be certain that funds allocated to the county by the State committee are fully used?
2. How can the county committee be sure that every farm is offered assistance? That progress is adequate? That farm assistance is fair and equitable?
3. Of the practices approved for the State which should be emphasized in the county and what portion of the funds should be devoted to such practices?
4. How can the conservation needs of individual farms be best determined and in what manner so that the community committee and county committee can make intelligent adjustments between farms of the amount of soil-building assistance to be approved toward meeting the individual farm need?
5. For determining the best use of funds from a longer term standpoint, what type of production and land use trends should be supported by soil-building practices, erosion control, and woodland rehabilitation?

(continued from page 6)

6. How can community committees best assist the county committee in reviewing the conservation needs in their community and in determining the extent and kind of assistance to the farms in their community?
7. How can the services of the community committee best be utilized in adjusting and approving the practices for individual farms in their community?

Most of the Northeast State programs have now been approved. It is now expected that counties may begin farm enrollment as soon as forms are available from the printer -- probably November 1, or soon after. Conservation materials procedure has been issued and orders from farmers may be taken as soon after November 1 as counties are ready to begin enrollment.

1946 SPRING PIG GOAL
AND SUPPORT PRICE LEVEL

A 1946 spring pig goal of 52 million head and an average support price for Good to Choice butcher hogs of \$12 per hundred pounds (Chicago basis), effective October 1, 1946, to September 30, 1947, were announced October 23 by Secretary of Agriculture Clinton P. Anderson. The goal is about equal to the 1945 spring pig crop.

Under the price support program, seasonal variations are being applied for the first time to hog prices. This means that the \$12 average Chicago hog support price will vary according to normal seasonal changes in hog prices, ranging from \$10.75 in December 1946 to \$13.25 in September 1947. The present support price, \$13 per hundred pounds at Chicago with no seasonal variation, was announced May 21, 1945, to be effective until September 1, 1946, and is now extended to September 30, 1946.

The new support prices will apply to hogs bought by federally inspected slaughterers throughout the United States based on geographical differentials above and below Chicago weekly average support prices. These differentials will be the same as those used by the Office of Price Administration.

The average support price of \$12 at Chicago is adequate to reflect at least 90 percent of parity to farmers for the country as a whole, based on the September 15, 1945 index of prices paid by farmers. Support of hog prices at not less than 90 percent of parity is provided by the Steagall Amendment.

In computing the new support price, the average difference between U.S. average farm prices for all hogs and average market prices for barrow and gilt butcher hogs have been added to the present 90 percent of parity price. This addition includes an allowance for sows as prices of sows are reflected in average farm prices but not in Chicago support prices. Parity for hogs September 15 was \$12.60 and 90 percent of parity on that date was \$11.34.

Current estimates of 1946 and 1947 national income indicate that farmers may expect hog prices for the 1946 spring pig crop above support price levels without Government price support action if production approximately equals the goal and if marketings are reasonably well distributed throughout the marketing season.

END OF ROLLBACK DOES NOT
AFFECT BUTTERFAT PRICE

The consumer -- and not the farmer -- will bear the additional cost of butter following the removal of the 5-cents per pound Government subsidy November 8.

Farmers should continue to receive the same market price for their butterfat. OPA has permitted wholesalers and creameries to add the amount of the subsidy to their ceiling prices. This will amount to 5 to 6 cents a pound boost in the retail price.

Farmers will continue to find a ready market for their butterfat for quite some time. The demand for butter is still much greater than the supply, as evidenced by the continued need for rationing.

Following the removal of the cream limitation order more cream has been diverted to products other than butter. As a result butter production currently is running behind a year ago.

Since mid-1943 when the subsidy became effective, the Government has paid \$174,691,000 in "rollback" subsidies on butter. Without the subsidy, however, this amount or even more would have been borne by the consumer and this would have contributed to inflation. The increase in the cost of living due to the higher increase in the retail price of butter will be neutralized by a decline in other consumer prices since the end of the war, OPA explained.

151 POTATO LOANS Aroostook County, Maine, reported on October 13, 151 loans
REPORTED IN MAINE on 387,459.3 cwt. of U.S. No. 1 potatoes and 51,486.1 cwt.
 of U.S. No. 2's and No. 1's, size B. The preliminary
service fees in Aroostook County amounted to \$24,615.75 and the amount loaned,
\$545,415.74.

Penobscot County, Maine, reported a preliminary service fee of \$40.25 and Lehigh County, Pennsylvania, \$6.00.

* * *

---California has 313,000 Federal Government employees; New York State has 297,800. Oh, yes, we almost forgot, the District of Columbia has 256,300. D. C. also has within its borders 45 farms of 1,878 acres. All right, but in 1839 the same District of Columbia produced more rye than "Wiskonsin," more hay than Mississippi, more tobacco than South Carolina and aforesaid "Wiskonsin" combined, and the value of its orchard and market-garden produce was three times that of Florida!

* * *

---The U.S. Department of Agriculture has acted to hold the producer prices for Class 1-A milk (fluid milk) in the New York milk marketing area at \$3.70 per hundredweight for the period November 1 through March 31, 1946.

* * *

(Agriculture in Action - Issued weekly and distributed in the Northeast to State AAA Committeemen, State Office of PMA, Farmer Fieldmen, County Offices in Massachusetts, Connecticut, Pennsylvania, New Jersey, and New Hampshire, County Committeemen in New Jersey and Pennsylvania)

Radio Transcription
A. W. Manchester, Director
Northeast Division, Field Service Branch
Production and Marketing Adm., USDA
October 25, 1945 - 6:15 a.m.
Station WBZ - Boston, Mass.

THE OUTLOOK FOR THE WINTER

Now with the harvest far advanced it is possible to look the whole farm situation over and appraise the outlook for the winter ahead.

It's not bad. Here are some of the items --

It looks as though there were feed enough, though not much to spare.

There is plenty of hay. It was a big crop this year nationwide. In the Northeast at least it was a bad season for harvesting, and a good deal of hay is over-ripe or damaged in the curing. But, at least, there's lots of it.

For feed grains, we have a record supply of oats, but somewhat less corn than last year and the year before. Counting all the feed grains together, the farms of the country have a little more than last year -- just a little.

But as an offset to that, we are feeding very heavily -- have been all summer. That heavy feeding may be part of the reason for the fact that hens are laying at record rates and milk production per cow is so high that total milk production is setting a new record in spite of the fact that our number of cows is decreasing slightly. Rumors are, too, that hogs are being fed to exceptionally large weights.

We have abnormally high numbers of some kinds of grain eaters to feed, in addition. On October 1 there were over 500 million growing chickens on farms as compared with less than 450 last year and less than 400 million the year before.

The number of turkeys too was at an all time high.

Looking at the feed situation as a whole, it seems as though we ought to get by all right but without much to spare. That kind of a situation is apt to mean that we can't always get just the kinds of feed we would like most, but can put together a ration that will do.

The outlook for farm prices for the winter season doesn't look bad.

Milk production payments are announced definitely until the first of April and are probable at some rate until the end of June. The price in the market is not likely to change very substantially, at least until Spring. From there on, the whole issue of dairy returns will depend on policies that remain to be made, or at least to be confirmed. But for the winter, it looks as though dairymen can count on a continuance of about the present situation.

(Radio transcription - continued)

The outlook for egg producers toward the end of the winter may not be quite so good. On October 1 there were reported 10 million more potential layers in farm flocks than last year. We got along all right then, but meat shortage may have been quite a factor in stimulating the marketing of a good many hens and in holding egg consumption at unheard-of levels. Right now, it would be a fair guess that government price support for eggs may be required by spring. And support prices are a good way from the ceiling prices -- or above -- of last year.

It looks now as though the potato situation could be handled. There is a tremendous crop. But farmers are putting their potatoes under the price support loan to an extent never reached before. If enough are under loan, it will mean a stable, steady market at, or slightly above, the support price.

Some very large industrial outlets for surplus potatoes have been developed. These outlets seem adequate to utilize the surplus. It is hoped that the lower grades will be used for manufacture and the U.S. No. 1's go to consumers. Some of the experts think that the number of the U.S. No. 1's is about in balance with the quantity that will be wanted for food. If so, it ought to be a happy situation all around -- plenty of good potatoes for consumers at moderate prices -- and an outlet for the poorer potatoes into starch, industrial alcohol and possibly a sugar substitute.

Prices for apples will be high, but there's a very big fly in that ointment. There aren't many apples -- and lots of growers haven't any.

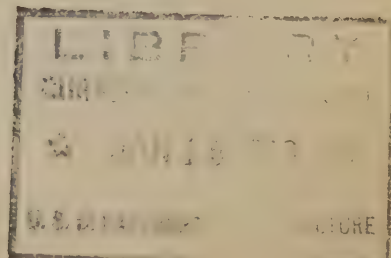
The official estimates of farmers' incomes for 1945 now put the gross income of all the farmers of the country at the highest figure ever reached -- although only a little above last year.

Of course, it needs to be. Farmers' costs are very high. This is particularly true of wages. Farm wages nationally have almost tripled since the days before the war.

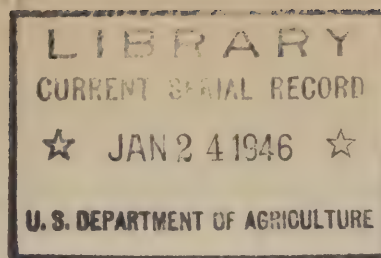
Many thoughtful farmers are saying that they hope wages will stay up. A big drop in farm wages could come only as the result of industrial unemployment and distress. It would be a part of a slump that would hit farmers hard.

And, too, good farmers are saying that they would rather have farm wages comparable to wages in industry. They would like to be able to bid for the good men and to know that the folks on their farms are sharing in American prosperity.

Of course, they want farm prices high enough so that they can afford to pay those wages. But they know that they are more likely to have that kind of prices when farm wages are good. We are all better off with our fair shares in a world of general well-being than trying to get a little the best of a bad situation.



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1945
United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Division
Washington 25, D. C.



Oct. 31, 1945

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Division

**FIELD AND OFFICE STAFF
EXPANDED IN NEW YORK**

For some time it has been apparent to the New York State Committee that additional help should be available from the State office to work with county committees, county assistants, and farmer fieldmen in assisting in organization and development work in counties. This would include help with election meetings, discussing with community committeemen the operations and objectives of the AAA program and the duties of committeemen, additional information about AAA programs through the press and through county office news circulars, and similar matters. In order to meet this need, Byram Leonard who has been farmer fieldman covering some of the western counties has been assigned by the State Committee to give such assistance. He will work with farmer fieldmen and with county committees in developing plans and in carrying out programs which it is hoped will lead to a better understanding of AAA programs.

Another change which has taken place is the appointment effective October 22, 1945, of two additional farmer fieldmen. They are Mr. Lynn Watson, former county assistant in Allegany County, and Mr. Harold Nichols, former county assistant in Washington County. Their appointment makes a net increase of one in the number of farmer fieldmen to whom specific groups of counties are assigned, to a total of seven fieldmen.

**VERMONT COMMITTEEMEN
MEET**

All county and community committeemen in Vermont have attended a series of meetings which began October 24 and ended November 1.

Under discussion were the general provisions of the "1946 Agricultural Conservation Program" by Harris Soule, State Director, Production and Marketing Administration, "The Farm Price Outlook" by Roy Beck, Extension Economist, and a talk by George Dykhuizen, Professor of Philosophy, University of Vermont, who discussed "Subsidies and the Farmer."

* * * * *

The "Farm Plan" sheets for all Northeast States have been sent to the printer. They are expected to be available by December 1.

HOWARD APPOINTED NEW YORK STATE DIRECTOR OF PRODUCTION AND MARKETING ADMINISTRATION. Robert J. Howard, Sherburne, New York has been appointed New York State Director of the Production and Marketing Administration. A prominent Chenango County dairy farmer, Howard has had long experience in both an administrative and advisory capacity not only with county, State, and Federal government farm programs but with farm cooperatives and farm organizations.

This action is taken under the Department's reorganization which provides for consolidation of the administration of both production and marketing programs under the direction of one field office in the State. Formerly Chenango County AAA Chairman, and at present chairman of the State AAA Committee, Howard's ability to "get things done" can be counted on to deal effectively with the complex and diversified production and marketing problems of New York State.

This appointment is the seventh in the Northeast Region. Other State Directors are Fred Nutter, Maine, prominent dairyman, farm leader and State AAA Chairman; Ralph Graham, New Hampshire dairyman, well-known in all Northeast agricultural agencies and organizations; Harris Soule, Vermont; Sumner Parker, Massachusetts; Walter Clark, Connecticut and Ralph Shaw, Rhode Island, all of whom were former AAA Executive Assistants.

COMMITTEEMEN ELECTIONS UNDER WAY Between now and December 15, farmers throughout the country will elect farmer-neighbors to administer AAA programs during the coming year. Elections are already under way in some parts of the country. Pennsylvania set aside the week of October 22-27 for their county elections.

Pointing out that all farmers cooperating in the AAA program are eligible to vote in the elections, N. L. Dodd, Director of the Department of Agriculture's Field Service Branch said:

"I hope that every eligible farmer will cast his ballot for the men he wants to represent him under the farm program. The year 1946 will be an important one, and committeemen will have many vital decisions to make. They should be the best leaders to be found in each community.

"Voting for our representatives is democracy's way of making sure that every farmer's voice is heard."

Besides alternates, about 90,000 community and 9,000 county committeemen are to be chosen in the Nation-wide elections.

Other Northeast States have election plans as follows: Connecticut, October 15-December 15; New York, October 20-December 15; Vermont, complete by December 20; Maine, October and November; Massachusetts, November. Other State's plans are unknown at present but presumably elections will be held in November and December.

WAR PUSHES UP FARMER'S
SHARE OF FOOD DOLLAR

Looking back as far as 1913, the Bureau of Agricultural Economics found that only during World Wars I and II has the income of food producers exceeded the charges made for marketing their products.

Farmers received about 40 cents of the consumer's food dollar for the pre-war years, 1935-39. The farmer's share of the consumer's food dollar rose to 54 cents by December, 1943, and the 1943 average was 52 cents. The only other year between 1913 and 1944 when his share exceeded marketing charges was in 1918.

These facts are brought out in the first comprehensive study of farm-consumer price spreads ever made by the Department of Agriculture. The results are published in a 290-page book, "Price Spreads Between Farmers and Consumers for Food Products, 1913-1944."

Now that statistics have been collected on the last 30 years, the Department plans to keep the study of marketing costs and price spreads up to date with annual supplements. It also plans to issue soon a breakdown of the charges made for marketing farm products. This will show the costs of performing various marketing functions and will point out possible ways for reducing the costs, according to the Bureau of Agricultural Economics.

Food marketing charges for the family food basket moved from \$181 in January, 1941, to a recent peak of \$247 in June, 1943.

* * * * *

Application forms for the 1945 Agricultural Conservation Program payments have been mailed to State Offices.

Time can be saved and payments speeded up if counties make an effort to obtain the farmer's signature at the time he makes his report of performance and the report indicates a cash payment has been earned.

* * * * *

BACK TO THE FARM!

Farm land is now in demand by returning veterans, war workers, and others. During the next five years, there may be 2½ million prospective farmers and farm workers seeking farms and farm jobs, according to the Department of Agriculture. But only a million and a half full-time farms and farm jobs are in sight.

Farming opportunities are expected within the next five years from these sources: (1) 800,000 farms -- vacancies from retirements, changes to other jobs, and natural causes; (2) 10,000 farms -- release and sale of surplus military land; (3) 50,000 farms -- new farms on publicly-financed irrigation, drainage, and flood control projects; (4) an undetermined number of farms, depending on employment and public policies relating to farm and land development.

It is now estimated that about 160,000 farms of all sizes and types will become available annually.

SOFT CORN STIMULATES
LIVESTOCK FEEDING

Immature, or "soft" corn and a good hay crop added to a near record cattle population and a strong beef market are expected to fill feedlots this winter with as many or more cattle than were in the lots last year.

Indications now are that there will be more cattle fed in the eastern Corn Belt than last year and about the same number in the western Corn Belt and Western States. Some reduction is expected in Kansas, Oklahoma and Texas because of small production of sorghum grains and less favorable pastures.

Larger quantities of "soft" corn are expected in the Corn Belt. Cattle make good use of this immature and frost-damaged corn.

Lamb feeding probably will be slightly under a year ago. More lambs may be fed in the eastern Corn Belt but fewer will be fed in the western Corn Belt than last year. Not as many lambs are on feed in Colorado as a year ago indicating that fewer lambs are being fed in the Western States. The lamb subsidy, however, has encouraged feeding and some lambs which normally would have gone to the packer are now moving into feedlots.

Movement to feedlots of both cattle and lambs has been later this year than last due largely to good range and pasture conditions. The October-December movement is expected to be unusually large this year because of the holding back.

FAO GROUNDWORK LAID
AT QUEBEC

Representatives of 36 Nations signed the constitution of the Food and Agriculture Organization this week at Quebec. Russia, Yugoslavia, Chile, Ecuador, Bolivia, and other Nations expect to sign in the near future.

The Food and Agriculture Conference has been divided into two commissions:

- Commission A -- to deal with policies and programs; and
- Commission B -- to deal with organization and administration.

Committees under each commission have been set up. Numbering 60 persons, the Agricultural committee is the largest of such groups. This committee has already determined the main subjects for study and has set up 9 panels to work on them.

Each panel under the Agricultural Committee is headed by a representative of a participating Nation. These panels are to recommend what FAO can do, to recommend relations of FAO to national governments, and to turn in periodic reports to the general FAO sessions.

CORRECTION

In the October 17 issue of Agriculture in Action, an error occurred in the New Jersey wheat insurance report. The number of wheat farms in Burlington County was given as 3771. The figure should have been 377.

USDA RETURNING NEARLY
100 MILLION POUNDS OF
BUTTER TO U. S.
CIVILIANS

The U. S. Department of Agriculture today announced its sales plan to return nearly 100 million pounds of butter to the civilian trade. This quantity includes about 80 million pounds recently released by the U. S. Quartermaster Corps, and, in addition, nearly 13 million pounds released by the Department of Agriculture and seven million pounds by the War Shipping Administration.

The sales plan becomes effective November 1 to coincide with the effective date of the removal of the five-cent per pound Government subsidy on butter and an advance of five cents in the ceiling price allowed creameries and wholesalers, as announced recently by the Office of War Mobilization and Reconversion.

Although the release of this butter will start about November 1, it is not expected to burden the market since supplies are now seasonally light. Assuming that current production, commercial stocks, and the butter being released are evenly distributed during the next four months, civilians will receive about 135 million pounds monthly, compared with a pre-war average of 150 million pounds and an average this year up to the end of the war of only about 85 million pounds a month.

In accordance with the general policy for disposal of surplus foods, the Department of Agriculture will offer the butter first to those who originally sold it to the Government. It will be offered on the basis of ceiling prices, with appropriate allowances for reconditioning that may be necessary for some print butter to restore it to legal weight.

Butter not accepted by original sellers will be offered on the same price basis to other manufacturers and receivers who previously have sold butter to the Government. Finally, the plan provides for the sale of any remaining butter on the basis on competitive bids. Details of the plan have been sent to the trade.

HEIFERS SENT TO POLAND American farmers are helping European farmers to help themselves, through the United Nations Relief and Rehabilitation Administration. In the most recent U. S. action, Poland will receive 150 Holstein heifers as a contribution from the Church of the Brethren.

The heifers will add to the small milk supply available in Poland for hospitals and nursing homes. Last May the Brethren Service donated 6 pure bred Brown Swiss bulls.

About 14,000 head of livestock have been sent to the devastated countries by UNRRA.

FROZEN FOOD LOCKERS
INCREASE

Frozen food lockers in the U. S. increased by 1,182 plants or about 22 percent during the 12 months ending last June 30. Plants listed in 1940 totaled 2,870, while the present total is 6,464. Food locker developments have been most rapid on the Pacific Coast in the Midwest.

POTATO LOAN REPORTS

Telegraphic potato loan reports received Monday, October 29, were as follows:

Special Loan Program - Hundredweight offered for loan in Maine 97,134.4, with 6,158.3 cwt. under completed loans. In Pennsylvania, 8700 cwt. had been offered for loan with no loans completed.

Regular Loan Program - Hundredweight offered for loan in Maine 9,695,161.5, with 1,541,409.4 cwt. under completed loans; in New Jersey 5,482 cwt. offered for loan with 268 cwt. under completed loans; in Pennsylvania, 18,344 cwt. had been offered for loan with no loans completed; in New Hampshire, 28,200 cwt. offered with no loans completed.

The weekly summary report from Maine indicates loan applicants have paid to county associations \$36,097.54 in preliminary service fees. Lending agencies had disbursed \$1,033,096.40 through October 20.

ARMY SURPLUS FOOD GOES TO UNRRA

Approximately \$100,000,000 worth of Army rations and food items will be sold by the Army to United Nations Relief and Rehabilitation Administration if Congress provides additional UNRRA funds.

All of the items in the sale were secured by the Army prior to V-J Day and include C, K, and 10-in-1 rations, spread, canned meats and canned juices.

LEND-LEASE DELIVERIES DROP

Deliveries of food and other agricultural products by the U. S. Department of Agriculture during August, totaling 333,131,084 pounds, are the smallest

recorded since those in the early months of lend-lease in 1941. The August total was roughly half as large as during July when USDA deliveries totaled 641,043,270 pounds.

The August lend-lease total included: The United Kingdom and British Services Overseas -- 110,735,323 pounds (59 percent), about 100,000,000 pounds less than in July; Russia -- 35,809,171 pounds (19 percent), compared with 96,274,359 pounds during July; and other lend-lease claimants (Metropolitan France, French West Africa, French North Africa, British dominions and colonies, French Colonial Supply Mission, Greece, the Netherlands and Belgium) -- 40,040,428 pounds (22 percent), compared with a July total of 75,387,120 pounds for these claimants.

On a commodity basis, dairy and poultry products again headed the list of deliveries for lend-lease, with 61,982,527 pounds accounting for 33 percent of the total.

(Agriculture in Action - Issued weekly and distributed in the Northeast to State AAA Committeemen, State Office of PMA, Farmer Fieldmen, County Offices in Massachusetts, Connecticut, Pennsylvania, New Jersey, and New Hampshire, County Committeemen in New Jersey, Pennsylvania, and New Hampshire).

Radio Transcription

D. U. Livermore, Ass't. to the Director
Northeast Division, Field Service Branch
Production and Marketing Administration, USDA
Station WBZ - Boston, Massachusetts
November 1, 1945 - 6:15 a.m.

THE FOOD AND AGRICULTURE ORGANIZATION

Since Mr. Manchester is unable to talk to you this morning, and has called on me to substitute for him, I would like to use the time to talk about the Food and Agriculture Organization for a few minutes.

As you know, Food and Agriculture is the first world-wide organization to begin to operate under the United Nations Charter. You have probably read about the conference in Quebec -- and that 36 nations from all parts of the world have signed the FAO constitution -- with more signatures expected soon.

It will probably be a long time before anyone can really measure the success of this effort to help farmers -- farmers all over the world. This is the very beginning of an effort to produce, everywhere, nutritious food -- and plenty of it -- and to distribute it among nations and within nations so that sickness, poverty, and starvation cease to become a matter of conflict among the people of the world.

The idea of a world-wide Food and Agriculture Organization has received practically unanimous support among the citizens of this country. What are its aims? What does it propose to do?

Since time doesn't permit this morning to cover all of the objectives, I think they can be pretty well summed up by one word -- knowledge. Knowledge which must be gathered together on present and potential agricultural production of the world. Knowledge of the world's food needs. Knowledge of how to produce this needed food and how to market it -- between countries and within countries.

In this country we like to call it "know-how." We like to say we have farming "know-how" or industrial "know-how." Great things can be done when people have the knowledge and the "know-how."

The purpose of gathering together this knowledge is to make it available to all -- the scientific research, methods of production, packaging, standardization, transportation, teaching methods, canning and refrigeration, nutrition, sanitation, soil conservation, and the many other things that some countries are continually developing, and that others want to develop in helping their people to have freedom from want.

The farming in many countries is still done by methods that are ages old -- much of it by human muscle with a few primitive tools. Production per man is so low that whole families can scarcely glean an existence from their few acres.

One hundred and fifty years ago, nine out of ten people in the United States were engaged in farming. They supported only themselves and the tenth person. Today, two out of every ten people in the United States are farmers and they produce enough food for themselves and the other eight, and have some left for export.

In some countries, agriculture is like it was in the United States 150 years ago -- almost everybody is a farmer.

When you stop to think about it, you realize that more than just helping agriculture is necessary. Agriculture and industry are too closely interwoven to be dealt with separately. For example, New England farmers supply the population of Boston every day with milk and many other perishable foods. Could they be expected to do so if there were no industry providing transportation, refrigeration, processing, packaging, power, heat, and efficient wholesale and retail services?

How long would the people of Boston continue to eat plenty of nutritious food if there were no industrial "know-how" to support the production and marketing of the farmer's goods?

Likewise, how long would these industries survive if farmers didn't have the "know-how" to produce more than they could eat themselves? A farmer who produced only a little more than enough for himself would be a pretty poor customer for the city man; the city man would have little to sell anyway. His chief job in life would be that of looking for his next meal.

The point I wish to leave with you is that the Food and Agriculture Organization must have the support from other similar international organizations if its aims are to be fully achieved.

The progress of the farmers of the world depends too much on the progress of other segments of national and international economy to advance very far alone.

Some of the jobs Food and Agriculture Organization expects to tackle during its first year include -- what can be done about surpluses which embarrass some countries while others suffer from hunger nearly every year. Also, it expects to set up national nutrition organizations in many countries, and provide technical help with farm production and marketing. The gathering of information on the world's resources of farming, fisheries, forests, and other statistical data will be one of its main functions.

It is a new organization attempting a tremendous work. I believe we should wish it well.